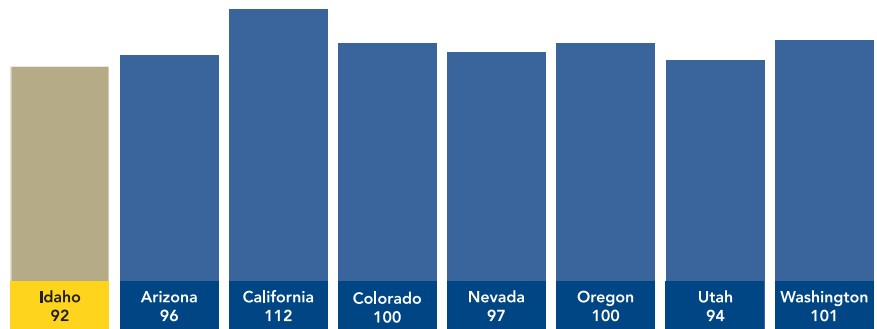


# Idaho compares favorably to other western states.

## Overall Business Costs

Economy.com ranks Idaho among the 10 states with the lowest overall costs of doing business. The Corporation for Enterprise Development rates Idaho No. 1 in manufacturing investment and 6th in long-term employment growth.

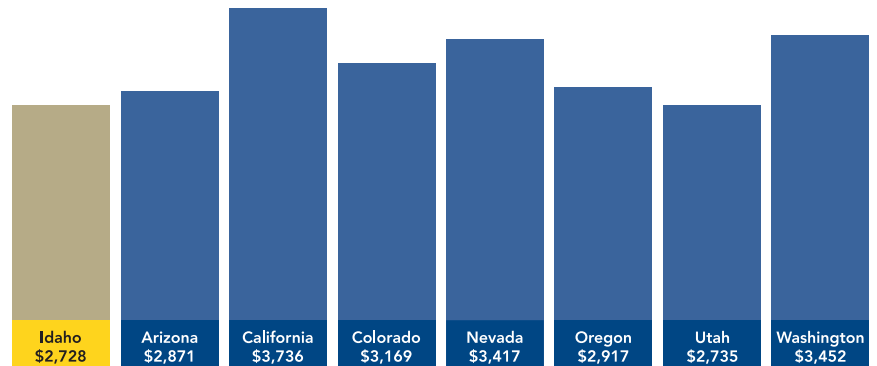


Overall Business Costs in Western States

Source: Moody's Economy.com Index, March 2005

## Per Capita Taxes

Idaho's per capita tax burden is among the lowest in the West. Our tax revenues come from a balanced mix of personal income, sales, property and corporate taxes, providing a stable base to fund public services without unfairly burdening any sector. Plus, Idaho's state and local government debt per capita is the lowest in the nation.

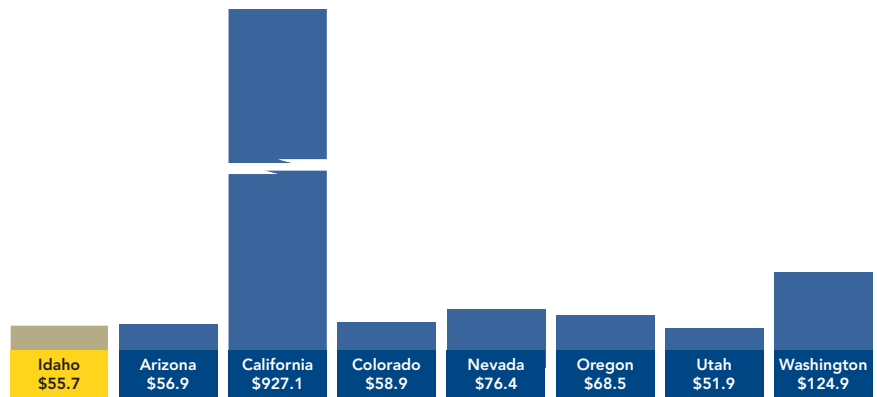


Annual Per Capita State & Local Taxes in Western States

Source: U.S. Bureau of the Census, State & Local Government Finances, May 31, 2006

## Workers' Comp Rates

Idaho employers with workers' compensation insurance pay some of the lowest premiums in the country. And, if lower-than-normal rates create a surplus, policyholders save in the form of rate deviations or actual dividends.

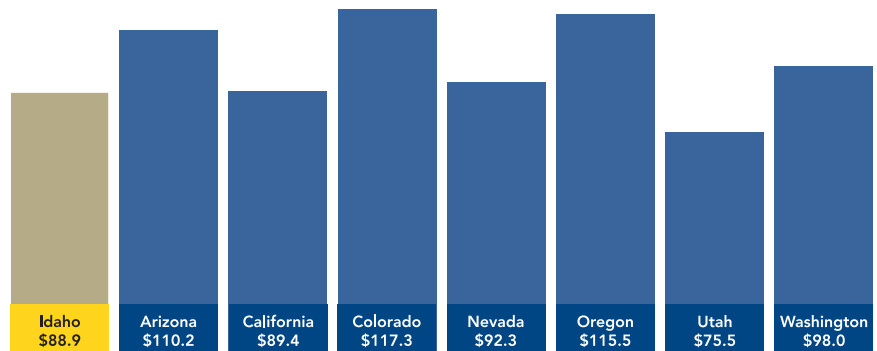


Annual Workers' Compensation Costs in Western States (in thousands)

Source: Idaho State Insurance Fund, May 2006 (200 employees)  
Electronics Products Manufacturing (Class Code 3681) (California Class Code 3651 & Washington is a composite rate)

## Natural Gas Costs

Idaho can boast some of the lowest natural gas prices in the country. The Williams Pipeline, running through southern Idaho, connects with extensive gas fields in Canada, Mexico and the Western U.S. And, thanks to this supply, both commercial and residential natural gas users find Idaho rates very competitive.

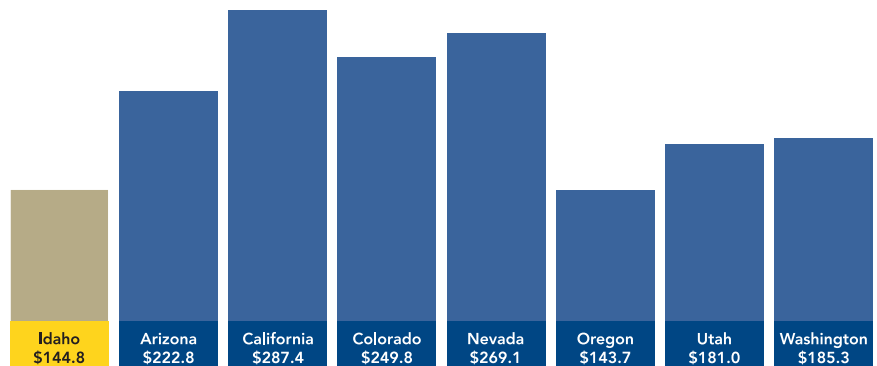


**Annual Industrial Natural Gas Costs**  
(Cost/100,000 therms) in Western States (in thousands)

Source: Intermountain Gas Company, May 2006

## Electricity Costs

Over half of Idaho's electricity is produced with low-cost hydropower facilities. As part of the Bonneville Power Administration's northwest power distribution grid, industrial electric rates are lower than most major cities in the nation and about half that of many western cities.



**Annual Industrial Electricity Costs**  
(1,000 kW & 200,000 kWh) in Western States (in thousands)

Source: January 1, 2006 Industrial Rates EEI

## Unemployment costs

Idaho's unemployment insurance program adjusts annual employer rates more equitably. This new structure, adopted in 2005, makes the same percentage change, up or down, in the tax rate of every employer, regardless of the experience rating. This new tax mechanism also triggers lower tax rates than the previous system under similar economic conditions. What's more, Idaho's unemployment insurance fund is one of only 12 in the nation that has never had to borrow.

|            | No. of Employees | Maximum Wage Base | Taxable Amount | New Employer Rate (Average Rate) | Contribution |
|------------|------------------|-------------------|----------------|----------------------------------|--------------|
| Idaho      | 200              | \$29,200          | \$5,840,000    | 1.67%                            | \$97,528     |
| Arizona    | 200              | \$7,000           | \$1,400,000    | 2.1%                             | \$29,400     |
| California | 200              | \$7,000           | \$1,400,000    | 3.4%                             | \$47,600     |
| Colorado   | 200              | \$10,000          | \$2,000,000    | 1.7%                             | \$34,000     |
| Nevada     | 200              | \$24,000          | \$4,800,000    | 2.95%                            | \$141,600    |
| Oregon     | 200              | \$28,000          | \$5,600,000    | 3.1%                             | \$173,600    |
| Utah       | 200              | \$24,000          | \$4,800,000    | 1.6%                             | \$76,800     |
| Washington | 200              | \$30,900          | \$6,180,000    | 2.35%                            | \$145,230    |

### Average Unemployment Insurance Costs for New Employers - 2006

\*Tax rate for new employers as a percentage of taxable wages up to the wage base. In Utah and Washington the new employer rate varies by industry. The rate shown in these states is for Electrical Equipment Manufacturing.  
Source: May 2006, Idaho Commerce & Labor